

**AUDIT COMMITTEE MEETING HELD
WEDNESDAY 8 MARCH 2023**

Table of Recommendations

| No | Item | Summary of key Recommendations |
|------------|---|---|
| 1. | Apologies | <i>Councillor Schenning</i> |
| 2. | Declarations of Interest | <i>None</i> |
| 3. | Minutes of Audit Committee Meeting held Wednesday 14 December 2022 reconvened Tuesday 31 January 2023 | <i>Confirmed as a correct record</i> |
| 4. | Northern Ireland Audit Office (NIAO) | <i>Information</i> |
| 5. | Internal Audit (Causeway Coast and Glens Borough Council) | |
| 5.1 | Travel & Subsistence and Mobile Phone Audit | <i>Noted</i> |
| 5.2 | Quarter 4 Update audit plan | <i>Noted</i> |
| 6. | Internal Audit (Cavanagh Kelly) | |
| 6.1 | PCSP | <i>Noted</i> |
| 6.2 | Corporate and Business Planning | <i>Noted</i> |
| 7. | Direct Award Contracts (report attached) | <i>Noted</i> |
| 8. | Matters for Reporting to Partnership Panel | <i>None</i> |
| 9. | Correspondence | |
| 9.1 | NIAO Planning Fraud Risk Guide | <i>Noted</i> |
| | <i>'In Committee' (Items 10-16 inclusive)</i> | |
| 10. | Prior Year Recommendations – Action Plan 2022/23 | <i>Noted</i> |
| 11. | Absence Report Quarter 3 2022/23 | <i>Noted</i> |
| 12. | Corporate Risk Matrix | <i>Noted</i> |
| 13. | Legal Cases Activity | <i>Noted</i> |

| No | Item | Summary of key Recommendations |
|------------|--|---------------------------------------|
| 14. | Whistle Blowing /Fraud | <i>Information</i> |
| | | |
| 15. | Any Other Relevant Business (notified in accordance with Standing Order 12(o)) | <i>None</i> |
| | | |
| 16. | Date of Next Meeting | <i>To be confirmed</i> |

**MINUTES OF THE PROCEEDINGS OF THE MEETING OF
THE AUDIT COMMITTEE
HELD IN THE COUNCIL CHAMBER AND VIA VIDEO CONFERENCE ON
WEDNESDAY 8 MARCH 2023 AT 7.03 PM**

- In the Chair:** Alderman McKeown (C)
- Members Present:** Alderman S McKillop (R), Councillors Anderson (C), Beattie (R), Chivers (R), Dallat O’Driscoll (R), Holmes (C), MA McKillop (R), C McShane (R), P McShane (C), Storey (C), Wallace (R), Watton (C)
- Elected Members In Attendance:** Councillor Peacock (R)
- Officers Present:** D Jackson, Chief Executive (C)
D Wright, Chief Finance Officer (R)
P Donaghy, Democratic & Central Services Manager (R)
A Ruddy, Audit, Risk & Governance Manager (C)
S Duggan, Civic Support & Committee & Member Services Officer (C)
- In Attendance:** L Mitchell, Ind Member (C)
C McHugh, Senior Manager, Cavanagh Kelly (R)
P O’Sullivan, Audit Manager, Northern Ireland Audit Office (R)
- J Winfield, ICT Operations Manager (C)
- Press 1no. (R)

Key: (C) = Attended in The Chamber
(R) = Remotely in attendance

The Chief Executive undertook a roll call.

Councillor Peacock advised Councillor C McQuillan would be late.

* **Councillor Peacock left the meeting at 7.04pm.**

1. APOLOGIES

Apologies were recorded for Councillor Schenning.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF AUDIT COMMITTEE MEETING HELD WEDNESDAY 14 DECEMBER 2022 RECONVENED TUESDAY 31 JANUARY 2023

Copy, previously circulated.

Proposed by Councillor Watton
Seconded by Councillor Storey and

AGREED – that the Minutes of the Audit Committee Meeting held Wednesday 14 December 2022 reconvened Tuesday 31 January 2023 were confirmed as a correct record.

4. NORTHERN IRELAND AUDIT OFFICE (NIAO)

Northern Ireland Audit Office Audit Manager advised the Audit Strategy for Audit 2022/'23 Financial Statements would be available for the next Audit Committee Meeting.

5. INTERNAL AUDIT (CAUSEWAY COAST AND GLENS BOROUGH Council)

5.1 Travel & Subsistence and Mobile Phone Audit

Report, previously circulated, presented by the Audit, Risk and Governance Manager and referred Elected Members to page 5 within the report, advising there were four internal audit recommendations listed for the attention of Management.

- The first Recommendation listed on page 5, the introduction of an Essential Car User Policy. In the absence of an Essential Car User Policy it is difficult to determine if best value is being achieved for Council. There is a risk that staff may be in receipt of the allowance who would not necessarily qualify or would be deemed ineligible for the Essential Car User. The recommendation, that Senior Officers proceed to implement the Essential Car User Policy at the earliest opportunity.
- The second Recommendation listed on Page 6, review of the Travel and Subsistence Policy. The current Travel and Subsistence Policy was introduced in December 2018, Internal Audit is recommending a scheduled review of the Policy takes place, to ensure that it is consistent with all recommendations and

requirements in that area. Internal Audit are also recommending the review include that the Policy be extended to include examples of when travel and mileage can be claimed and when they cannot, in order to ensure the Policy is consistently applied.

- The third Recommendation is in relation to the completion of Travel and Subsistence Travel claims by staff. Within the sample a number of errors were noted in the audit sample tested, these included:
 - Claims being outside of the 3-month stipulation time frame and in line with Policy, all travel claims should be submitted within three months. The risk is the line Manager approve the claims and it is more difficult to verify the journey has happened. The Recommendation is that staff are encouraged to submit all claims within the 3-month period, and were submitted outside this, they can be approved in the first instance, and staff reminded of the procedure.
 - Second issue, in a number of claims, they were incomplete and did not contain the relevant postcodes, verification of mileage is more difficult. In one case, the mileage recorded was incorrect and the error raised with the member of staff. The amount was recouped. The recommendation is that staff adhere to the Policy and should be reminded of the 3-month time frame stipulated is adhered to. All claims should be checked by the person authorising the claim to ensure that it is correct.
- The fourth recommendation is in relation to the number, and use of, mobile phones by Council. There are 600 devices currently issued, and on review it is not clear who is responsible for the device or where it is located. Invoices contained devices where employees had left the Council. Internal Audit is recommending a review of the mobile phone usage across Council for budget holders who are responsible for the cost, to ensure the number of devices issued are in Council possession.

The Audit, Risk and Governance Manager advised the report received a Satisfactory level of Assurance and invited questions from Elected Members.

The Independent Member stated it was pleasing to see a Satisfactory Rating. The Independent Member referred to Issue 1 in relation to the Essential Car User Policy, and noted disappointment the Policy had

been brought up in 2018/19 and was a specific recommendation, the narrative stated the essential Car User Policy had been developed and presented to Council, however, it had never been approved nor adopted and questioned why the Policy did not reach a final conclusion.

The Chief Executive noted the comments and advised that through the period of negotiations with Trade Unions, they were not willing to discuss anything other than pay demands and Council were now in the position to resume wider discussions. He advised the matter would be brought back before September, following discussions with Trade Union side.

Councillor Watton stated he was struck by the 2017/18 figure of £551k travel and subsistence allowance paid to employees and Councillors.

Councillor Storey concurred with the comments of Councillor Watton, he advised it would be useful to have a breakdown, there was a need for a review and the necessity for journeys.

Councillor Storey stated there was a requirement for an essential Mobile Phone Policy and questioned why 600 people needed a mobile phone.

The Chief Executive welcomed the report, he stated a proliferation of mobile phones during the pandemic and agile working, and it was timely to review.

The Chief Executive advised management accounts had reflected a significant reduction in car mileage and it has been maintained, he provided an example of an essential car user and casual mileage, clarified Elected Members do not receive Essential Car User.

The Chief Finance Officer clarified payments were not linked to the price of fuel, a fixed rate for mileage and had remained unchanged for some years as set by National Joint Council.

Councillor Holmes stated mobile phone use was high and needed to be looked at, he further queried whether the wider asset register was checked.

The Chief Executive advised he would come back with the information.

Councillor P McShane commended the report and shared concerns. Councillor P McShane referred to the implementation of the Policy, which had come before the new Council. He questioned whether

Council was in receipt of a letter informing them that Trade Unions will not enter into negotiations with Senior Management and how did Council propose to enter into negotiations if Council are in receipt of that letter.

The Chair advised the questions could be passed to the Director of Corporate Services to bring a response.

Councillor P McShane stated he would have thought all Senior Officers were aware of the letter and asked were all Senior Officers not aware of the letter.

The Chief Executive stated he was not involved with the matter.

The Chair clarified that the Chief Executive did not say he was not aware of the letter but that he is not involved with the matter. Councillor P Mc Shane thanked the Chair for the information.

Committee NOTED the report.

5.2 Quarter 4 Update audit plan

Information report, previously circulated, presented by the Audit, Risk and Governance Manager.

Background

This document sets out the progress to date for the delivery of the Internal Audit Planned work to Causeway Coast and Glens Borough Council for the year 2022/23. It is based on the audit needs assessment as detailed in the Internal Audit Strategy 2019-2023, revised to take account of the Covid-19 pandemic. The purpose of this report is to update members in terms of the progress for the delivery of the audit plan for the year 2022/2023.

Audit Plan 2022/23

The audits scheduled for 2022/23 and the progress to date are shown in the table below:

| Audit Area | Auditor | Progress |
|----------------------------------|----------------|----------|
| Environment Services Directorate | | |
| Licensing | In-house | 21/22 |
| Energy Management | Cavanagh Kelly | Ongoing |
| Harbours, Marinas and Terminals | Cavanagh Kelly | Ongoing |

| | | |
|--|----------------|---------------|
| Animal Welfare ¹ | In-house | Carry Forward |
| Fuel Stamp Programme | In-house | Carry Forward |
| Finance Directorate | | |
| Travel & Subsistence, Mobile Phone | In-house | Satisfactory |
| Corporate Services Directorate | | |
| Democratic Services | Cavanagh Kelly | Carry Forward |
| Insurance | In-house | Satisfactory |
| Reception Services | In-house | Carry Forward |
| Registration of Births, Deaths & Marriages | In-house | Satisfactory |
| Corporate & Business Planning | Cavanagh Kelly | Limited |
| Safeguarding | In-house | Satisfactory |
| Leisure and Development Directorate | | |
| Tourism Services | In-house | Ongoing |
| Community Facilities | Cavanagh Kelly | Ongoing |
| PCSP | Cavanagh Kelly | Satisfactory |
| Peace IV | Cavanagh Kelly | Outstanding |
| Labour Market Partnership (New) ² | In-house | Ongoing |

Progress to date

It is important for Members to note that for the first eight months of the year (2022/23) Council did not have a co-sourcing partner in place. This coupled with internal audit assisting on the implementation of recommendation 1 contained within the extraordinary report has resulted in a backlog with the current year internal audit work. Cavanagh Kelly was appointed in late October, and it is envisaged that the planned audit work will progress in the later part of the year. Internal audit will continue to monitor the amount of assurance audit untaken which can feed into the annual assurance rating at year end.

Whilst fieldwork will be completed in 2022/23, it is anticipated that the drafting of reports may continue into April and part of May 2023 to ensure adequate coverage of the plan. There is the option of 40 additional days within the co-sourcing arrangement to address the current programme of work.

Recommendation

¹ Audits marked red are considered low risk and maybe deferred until the 2023/24 financial year.

² The Labour Market Partnership audit is a statutory requirement commencing on 2021/22 which is additional to the 2019-2023 audit strategy. This audit must be performed in May 2023 for submission to DfC.

This report is for information purposes only. Members should read and note the current progress of audit assurance reports completed for the 2022/23 financial year.

The Independent Member sought an update on the progress on development of the new Audit Strategy assuming it would be for a 3-5 year period and Audits that were being carried forward, and queried whether will they be factored in to the new Strategy when presented to Committee.

The Audit, Risk and Governance Manager stated historically a four-year Audit Strategy was developed, that would tie in with the Council Term. She advised work had commenced mapping areas to be covered in the new Strategy. Any low level, low risk audits were being postponed/carried forward and cited these from page 2. The Audit, Risk and Governance Manager stated significant progress had been made in addressing the backlog, whilst aiming for 70% coverage of the plan at year end, that would be difficult to achieve. The Audit, Risk and Governance Manager stated sixteen assignments were currently being covered, the average for other Councils range from ten to twelve assignments and the new Strategy will aim for twelve audits per year.

Councillor P McShane sought clarification of the Tourism Services audit.

The Audit, Risk and Governance Manager clarified the Tourism Services audit was Visitor Information Services, she clarified Funding was a separate audit.

Committee NOTED the report.

6. INTERNAL AUDIT (CAVANAGH KELLY)

6.1 PCSP

Report, previously circulated, presented by Senior Manager, within Cavanagh Kelly.

The Senior Manager within Cavanagh Kelly referred to a level of Satisfactory assurance. The following had been looked at to include governance arrangements, procurement, grants being awarded and monitoring of progress. Two Recommendations were arising from the work undertook.

The first recommendation is in relation to two Conflict of Interest forms had not been returned at the time of audit and remains outstanding. A recommendation that Elected Members are reminded to return the forms.

Another Recommendation Priority 2, in relation to purchasing, procurement, quotation tender process, there was no documented record of assessment of quotations/tenders, and in line with Council Policy assessment of the tenders/quotations was not as well documented and recommendation that is improved.

Councillor P McShane sought an update on the grant funding process to award grants as he noted there were no issues listed within the report. Councillor P McShane asked the question had there been an increase in the number of individuals involved in the assessment of grant applications?

The Senior Manager, within Cavanagh Kelly advised there was a recommendation around the number of panel members being increased. Regarding PCSP this year, the level of grant funding reduced and value of the individual grants reduced below £1,000, in line with Council's Grant Funding Policy the Funding Unit now assessed the grants, not the PCSP members.

The Independent Member questioned whether there had been a check on a range of different governance controls and whether everything else was found to be sound. The Independent Member suggested a sentence to state other aspects of governance had been checked and all found to be in order.

The Senior Manager (Cavanagh Kelly), clarified she had been generally looking at Governance Issues within PCSP, within the Department of Justice Code of Practice for exercise of PCSP functions, to include around scheduling of meetings, minuting of meetings, quorums at meetings, a wide range of issues, oversight and accountability and reporting, issuing of Papers, receipt of handbook and reporting to the Department of Justice, and not mentioned within the report as there were no issues revealed.

Senior Manager, (Cavanagh Kelly) noted the matter raised.

Committee NOTED the report.

6.2 Corporate and Business Planning

Report, previously circulated, presented by Senior Manager, (Cavanagh Kelly) who referred to page 4 overall rating Limited Assurance. The reasons as there were five Priority 2

Recommendations and three Priority 3 Recommendations. The risks looked at were outlined on page 3, that may occur.

- First recommendation on Issue 1, having a more joined up approach to the Performance Framework in Council and Joint development of Guidelines. The Performance Improvement is in one part of Council, Community Planning and Corporate Planning and Business planning in another part of Council. Council also has a new system, Perform, and signed up to APSE indicators and looked after in the section where Performance Improvement is managed, there is a disconnect in the work. There is no single guidance document for staff. Recommending that a more joined up approach is taken and joint development of guidelines introduced.
- Second Recommendation Priority 3, recommending that for the next Corporate Strategy that Council will be developing, more Citizen feedback should be sought, Council is now seeking Citizen feedback through citizens surveys etc.
- Third Recommendation Priority 2, in relation to the Corporate Strategy. Recommending there is an improvement in the types of measurement and the identification of data sources for measuring progress of the Corporate Strategy when the next Corporate Strategy is being development. The current Corporate Strategy there is a lack of clarity on measurements that was going to be undertaken.
- Fourth Recommendation Priority 3, that a Business Plan is put in place for Legal Services. All other areas of Council have a business Plan in place.
- Fifth Recommendation Priority 3, in relation to the Business Plans, recommending there is consistent presentation of all relevant data including financial information in the Business Plans.
- Sixth recommendation is that Business Plan targets need to be more specific, measurable, achievable, relevant and timebound. Reviewed over 40 outcome targets and found weaknesses and some not timebound. Recommending targets are SMART and measurable.
- Seventh and eighth recommendations within the Report are linked, ensuring the progress against the Corporate Strategy is reviewed currently this has not happened for this Corporate Strategy. There are plans to review the progress, the process needs to be documented and reporting lines identified within the process so we know who the progress will be report to, right up to Council.

- Ninth recommendation is in relation to Training for Managers and Heads of Service. A Priority 2 Finding updated training or guidance on Business Planning, that links back to earlier recommendations on SMART objectives and the need for joined up guidance.
- There is also a point for Management, it is not a specific control risk but where could improve efficiency. Senior Manager, (Cavanagh Kelly) recommended having a Working Group to promote a more joined up approach and bring all the work happening with Perform system used to monitor Business Plan targets and APSE work.

The Independent Member referred to a Limited Assurance, indicating there was a lot of work to be done. She advised the implementation dates far in advance, reflecting the amount of work to be done. The Independent Member asked of Management, whether they can take forward, given the disaggregated structure around business planning and Performance Management processes and any consideration in terms of structure.

The Chief Executive stated that he hoped the external auditor would acknowledge Council had made tremendous strides had been undertaken with the Citizen Survey, Perform software, and APSE Framework, he advised a missing line of sight between the Corporate Plan and can be fixed structurally. The Chief Executive advised the timing appropriate for the new Term of Council and a series of Corporate Strategy Workshops around Summer would include structures.

Committee NOTED the report.

7. DIRECT AWARD CONTRACTS

Report, previously circulated presented by the Chief Finance Officer as read.

Background

Causeway Coast and Glens Borough Council approved an updated Procurement Policy in March 2021.

Detail

The new policy addresses a number of recommendations that had been made in reference to the old policy. One such recommendation was the inclusion of guidance around single tender actions or Direct Award

Contracts (DAC). The policy gives guidance and sets out a procedure to follow in such circumstances.

DAC Process

In all cases where council staff are considering the use of the award of a contract without competition, they must seek guidance from the procurement officer before proceeding as such an approach will be easily challenged in the courts unless rigorously supported by appropriate documentation and completed in accordance with the legislative requirements.

Authorisation required

When a member of council staff has spoken with the procurement officer - and discussed all the alternative options available - and wishes to proceed with the award of a contract without competition the staff member should seek approval of their approach from the Senior Management Team before seeking Council approval to award.

A detailed report should be completed by the member of staff requesting the contract award explaining their rationale and the consideration given to all alternative options in conjunction with discussions between the staff member and the procurement officer. The template provided in Annexe 6 – Direct Award Contract Form should be fully completed by the member of staff requesting the contract award.

Once completed, this document will require authorisation from the Senior Management Team before proceeding to the relevant committee for consideration. Upon agreement from the Council the staff member should contract the procurement officer to assist with the contract award to the chosen supplier.

DAC Approvals

The purpose of this short report is to inform members of those DAC's which have been approved since 1 January 2021 and these are listed below, it should be noted that one of these, to Vestre Limited, required Council approval at the point of award which was granted.

Committee NOTED the report.

8. MATTERS FOR REPORTING TO PARTNERSHIP PANEL

There were no matters for reporting to the Partnership Panel.

9. CORRESPONDENCE

9.1 NIAO Planning Fraud Risk Guide

Copy, circulated presented by the Audit, Risk and Governance Manager who advised the Guide has been brought to the attention of the Head of Planning, for Planning Committee along with a self-assessment check list and would be brought back in Autumn.

Committee NOTED the correspondence.

MOTION TO PROCEED 'IN COMMITTEE'

Proposed by Councillor P McShane

Seconded by Councillor Anderson and

AGREED – to recommend that Committee move *'In Committee'*.

The information contained in the following item is restricted in accordance with Part 1 of the Local Government Act (Northern Ireland) 2014.

10. PRIOR YEAR RECOMMENDATIONS – ACTION PLAN 2022/23

Confidential report, previously circulated, presented by The Chief Executive as read.

The Independent Member stated the report was consistently issued late to Audit Committee and Management need to take a view on how the report is issued. The Independent Member stated there were a range of recommendations relating to 2016/17, that it had been seven years since the recommendations highlighted and the timescale unacceptable. The Independent Member questioned whether there was any focus on the recommendations and urgency to bring them to a conclusion.

The Chief Executive stated focus had been on Priority 1 Recommendations and not focused on longer Recommendations. The Chief Executive recommended advancement of the deadlines to ensure the report was presented at least the week before and would demonstrate progress by the next Audit Committee.

Councillor Holmes considered Audit Committee reports should be issued a fortnight in advance, it was one of three committees in a week.

The Chief Executive concurred with issuing the reports two weeks in advance.

The Chair stated, having prior discussed the report with the Director of Corporate Services, resources were difficult.

Committee NOTED the report.

11. ABSENCE REPORT QUARTER 3 2022/23

Confidential report, previously circulated presented by the Chief Executive as read.

Purpose of Report

The purpose of this report is to provide Members with Quarter 3 (1 April 2022 to 30 December 2022) information regarding Absenteeism throughout the Council.

Background

Absenteeism within the Council is closely monitored and managed in accordance with Councils Policies and Procedures, and in line with NJC Terms and Conditions.

ODHR Business Partners work closely with each of the Directors, Managers and Supervisors to assist and support through a range of preventative proactive measures alongside the reactive to include referrals to Occupational Health, absence review meetings, referrals for Ill Health Retirement.

Councillor P McShane stated absenteeism increasing exponentially and sought comparable figures for other organisations.

The Chief Executive commented on long term absence and Council's staffing demographic. Following questions, the Chief Executive advised ill health retirement was a matter for the pension provider. He advised a great number of staff were not taking any absence at all.

Councillor Watton commented on the lack of HGV drivers.

Councillor Holmes requested statistics on the Council staffing age bracket.

The Chair stated Council can look at the matter and come back.

Committee NOTED the report.

12. CORPORATE RISK MATRIX

Confidential report, previously circulated, presented by the Chief Executive as read.

There were no comments put.

Committee NOTED the report.

13. LEGAL CASES ACTIVITY

Confidential report, previously circulated, presented by the Chief Executive as read.

The purpose of this report is to identify potential future liabilities and areas of concern, and provide Members with a Quarterly update on the Legal cases activity, which are being dealt with “in-house” including the number of active legal cases, split between Directorate, the number of new cases, and the number of closed cases.

Further information was circulated within the confidential report.

Recommendation

It is recommended that Audit Committee note the Legal Cases Activity Report.

There were no comments put.

Committee NOTED the report.

14. WHISTLE BLOWING /FRAUD

The Audit, Risk and Governance Manager advised she would not be providing an update.

15. ANY OTHER RELEVANT BUSINESS (NOTIFIED IN ACCORDANCE WITH STANDING ORDER 12(O))

There were no items of Any Other Relevant Business.

16. DATE OF NEXT MEETING

To be confirmed.

MOTION TO PROCEED ‘IN PUBLIC’

Proposed Councillor P McShane
Seconded Councillor Watton and

AGREED – that Audit Committee move ‘*In Public*’.

There being no further business the Chair thanked those in attendance and the meeting concluded at 8.07pm.

Chair